



# FEDERAL UPDATE & OUTLOOK

INTERGOVERNMENTAL RELATIONS OFFICE

BRIE L. FRANCO

FEBRUARY 7, 2017

# Federal Lobby Team

Capital Edge

Boothe Transit Consulting

# FEDERAL LOBBY TEAM BRIEFINGS

## FEBRUARY 6 & 7, 2017

Monday, February 6	9:00 – 10:00 am	Public Safety
	10:00 – 11:00 am	Development Services
	11:00 am – 12:00 pm	Community Services
	12:00 – 1:00 pm	CMO
	1:00 – 2:00 pm	Support Services
	2:00 – 3:00 pm	Infrastructure Services
	3:00 – 4:00 pm	Financial Services
	4:00 – 5:00 pm	Administrative Services
Tuesday, February 7	10:00 am	Council Work Session: Lobby Team Briefing to Council

# LEGISLATIVE PRIORITIES FOR THE FEDERAL AGENDA

**Municipal Bonds:**  
Keeping the  
tax exemption

**Public Safety:**

- Increased funding for Homeland Security and UASI
- Gun Control
- Sanctuary Cities

**Housing and  
Community  
Development:**  
CDBG & Low-Income  
Housing Tax Credits

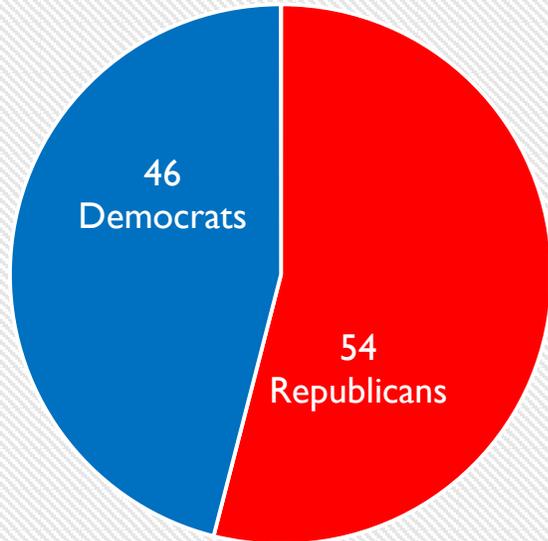
**Transportation:**  
Surface & Aviation  
funding and grants

**Telecommunications:**  
Preserving Ability to  
Manage Rights-of-way

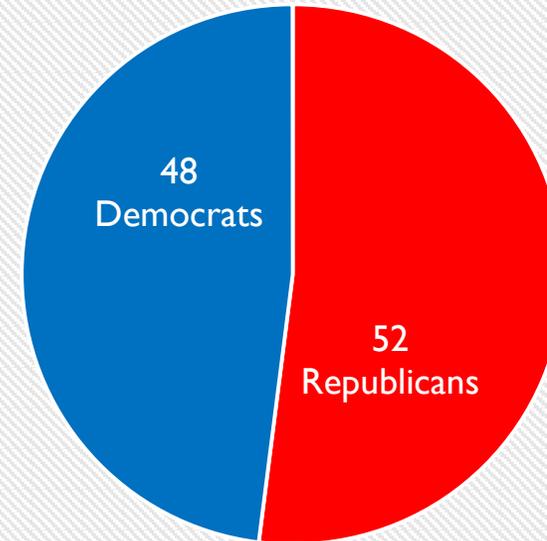
**Public Health:**  
Increased funding and  
expansion of services

# 2016 ELECTIONS - SENATE

**Senate - 114<sup>th</sup> Congress**

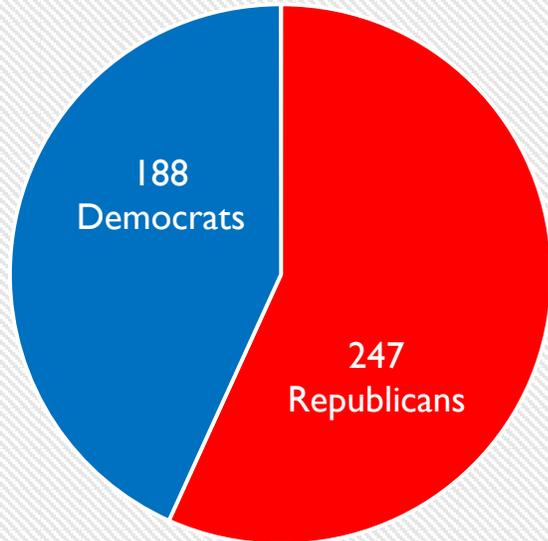


**Senate - 115<sup>th</sup> Congress**

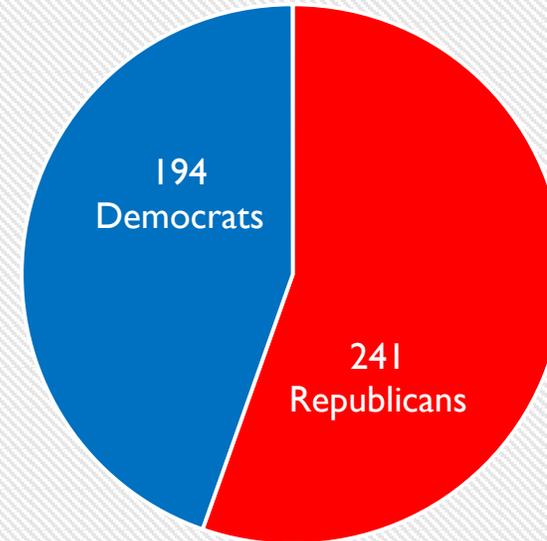


# 2016 ELECTIONS - HOUSE

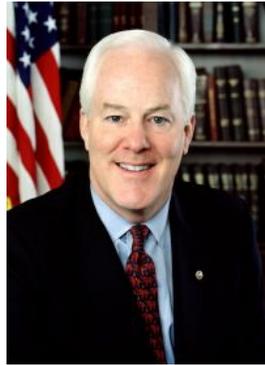
**House - 114<sup>th</sup> Congress**



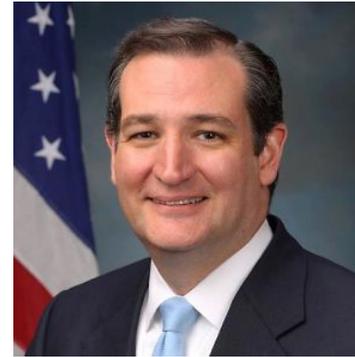
**House - 115<sup>th</sup> Congress**



# AUSTIN AREA FEDERAL DELEGATION



John Cornyn



Ted Cruz



Michael McCaul (R-TX10)



Bill Flores (R-TX17)



Lamar Smith (R-TX21)



Roger Williams (TX-25)



John Carter (TX-31)



Lloyd Doggett (TX-35)

# A LOOK AHEAD TO 2018

Looking ahead to the 2018 mid-term elections, 33 Senate seats will be contested:

- 8 Senate seats held by Republicans
- 25 Senate seats held by Democrats

One Republican, Senator Dean Heller of Nevada (47.9% Clinton), will be running for reelection in a state won by Hillary Clinton.

10 Democrats will be running for reelection in states won by President Trump:

- Tammy Baldwin (Wisconsin – Trump 47.9%)
- Sherrod Brown (Ohio – Trump 52.1%)
- Bob Casey (Pennsylvania – Trump 48.8%)
- Joe Donnelly (Indiana – Trump 57.2%)
- Heidi Heitkamp (North Dakota – Trump 64.1%)
- Joe Manchin (West Virginia – Trump 68.7%)
- Claire McCaskill (Missouri – Trump 57.1%)
- Bill Nelson (Florida – Trump 49.1%)
- Debbie Stabenow (Michigan – Trump 47.6%)
- Jon Tester (Montana – Trump 56.5%)

# 115<sup>TH</sup> CONGRESS, 1<sup>ST</sup> SESSION: KEY ISSUES

- Budget
  - Sequestration is back for FY 2018 and the Administration is reportedly preparing an austere budget proposal, putting pressure on all discretionary spending, especially core local government programs
- Tax
  - Comprehensive tax reform may have momentum; for cities, tax exemption for municipal bonds is a key issue
- Infrastructure
  - Major infrastructure investment package?
  - Aviation reauthorization
  - National Flood Insurance Program reauthorization
- Local Control
  - Telecommunications: ROW & zoning
  - Sales tax fairness
- Immigration (Sanctuary Cities)
- Public Safety
  - Criminal justice reform
  - Grant funding
- Regulations
  - President Trump and congressional Republicans have promised to undo most of President Obama's regulatory agenda. Major issues include clean air, clean water, fair housing, and workplace issues.

# THE AGENDA FOR THE 'FIRST 100 DAYS' (AND BEYOND)

Priority items, in descending order of agreement (and likelihood of enactment) between the new Administration and Congress include:

- Repeal (and replace or repair?) the Affordable Care Act
- Tax Reform
- Immigration (Sanctuary Cities)
- Discretionary spending
  - Eliminate sequester cap for Defense
  - Increase domestic security spending (immigration and border security)
  - Implement Heritage Foundation/Republican Study Committee budgets that call for major cuts to non-Defense discretionary spending, including eliminating numerous agencies and programs

## BOTTOM LINE – WHAT IT COULD MEAN FOR CITIES

- ***Preserving the tax exemption for municipal bonds*** will be a priority challenge for local governments.
- ***Preserving funding for core local government programs*** will be the second biggest challenge for local governments.
- ***The repeal of the Affordable Care Act, entitlement reform, and cuts to other social service programs*** could create long-term challenges for local budgets.
- Local governments will have to closely track ***regulatory reform***, keeping an especially close eye on the FCC.

# TRANSPORTATION FUNDING

- Expect FY 2016 Funding through FY 2017
- FY 2018 - Fasten Your Seatbelts!!
  - Rumor: President Trump will seek \$10 trillion in reductions over the next ten years
  - Rumor: Phase out federal transit funding and eliminate Capital Investment Grants

# CHAO-LED DOT

- Favors Outcome-Based Rulemaking
- TIGER - continued support for program but not clear on what projects will be eligible
- Autonomous Vehicles (AVs), Drones, Emerging Technology
  - Catalyst for Implementation
  - Work with public and private parties
  - Deferred on how she would define Federal, State and local roles on regulating AVs, Vehicle-to-Vehicle (V2V) and Vehicle-to-Infrastructure (V2I) technology and policies



# TRUMP INFRASTRUCTURE PLAN

- Includes aviation, ports, schools, power grid, highways and bridges - transit is never mentioned
- Forming “Infrastructure Council”
  - Known members include Secretary Chao and NYC developers
  - Floated a set of projects in December 2016 totaling \$137.5 B
- Potential Elements
  - Repatriation of foreign assets held overseas with reduced tax rate
  - Infrastructure Bank that would select projects to be built
  - Expanded financing and tax credits for private sector investment

## TRUMP INFRASTRUCTURE PLAN (CONTINUED)

- Discretionary funding is part of the plan
  - House Speaker Ryan - each dollar of discretionary funding must be matched by \$40 of private sector financing
- Overcome Congressional Republican reticence to support American Recovery and Reinvestment Act (ARRA) II

# TRANSPORTATION POLICY ISSUES FOR CITY

- Smart Cities - does it survive?
- Support for AVs but local impacts on land use, parking, and economic development omitted from discussion.

# QUESTIONS & COMMENTS



Boothe Transit Consulting LLC

1875 I Street NW – 5<sup>th</sup> Floor  
Washington DC 20006  
202-429-2020

[jeff.boothet@boothetransit.com](mailto:jeff.boothet@boothetransit.com)



1212 New York Avenue NW – Suite 250  
Washington DC 20005  
202-842-5430

[ralphg@capitaledge.com](mailto:ralphg@capitaledge.com)/[grewatz@capitaledge.com](mailto:grewatz@capitaledge.com)